

Message Text

UNCLASSIFIED

PAGE 01 MEXICO 09686 282337Z

63

ACTION ARA-20

INFO OCT-01 ISO-00 AID-20 CIAE-00 COME-00 EB-11 FRB-02

INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12 SPC-03

CIEP-02 LAB-06 SIL-01 OMB-01 DODE-00 PM-07 H-03 L-03

NSC-10 PA-04 PRS-01 SS-20 USIA-15 HEW-08 STR-08 CEA-02

IO-14 AGR-20 DRC-01 /213 W
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R 282157Z DEC 73

FM AMEMBASSY MEXICO

TO SECSTATE WASHDC 9401

INFO AMCONSUL CIUDAD JUAREZ UNN

AMCONSUL GUADALAJARA UNN

AMCONSUL HERMOSILLO UNN

AMCONSUL MATAMOROS UNN

AMCONSUL MAZATLAN UNN

AMCONSUL MERIDA UNN

AMCONSUL MONTERREY UNN

AMCONSUL NUEVO LAREDO UNN

AMCONSUL TIJUANA UNN

UNCLAS MEXICO 9686

E.O. 11652: N/A

TAGS: ECON, MX

SUBJECT: MEXICAN CONGRESS URGES BUDGET MODIFICATION, VIGOROUS
GOM ACTION AGAINST HOARDERS AND SPECULATORS

REF: MEXICO 9615

1. SUMMARY. NEWLY-CREATED LEGISLATIVE COMMISSION FOR DEFENSE
OF THE ECONOMY, AFTER TWO DAYS OF MEETINGS WITH SENIOR GOM
CABINET OFFICIALS, VISITED PRESIDENT ECHEVERRIA ON DEC. 27
TO URGE A MODIFICATION OF 1974 MEXICAN BUDGET TO REALLOCATE
600 MILLION PESOS TO MEXICO'S RURAL SECTOR, AND TO INITIATE
PROGRAM TO CRACK DOWN ON HOARDERS AND SPECULATORS WHO ARE
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PAGE 02 MEXICO 09686 282337Z

PROFITING FROM UNSETTLED ECONOMIC CONDITIONS TO PREY ON CONSUMERS.

END SUMMARY.

2. MEXICAN CONGRESSIONAL LEADERS EARLIER THIS WEEK ANNOUNCED THE CREATION OF A LEGISLATIVE COMMISSION FOR THE DEFENSE OF THE ECONOMY, TO BE HEADED BY LIC. CARLOS SANSORES PEREZ OF THE CHAMBER OF DEPUTIES AND THE SENATOR ENRIQUE OLIVARES SANTANA. COMMISSION MET DEC. 26 WITH SENIOR GOM OFFICIALS, INCLUDING SECRETARY OF TREASURY LOPEZ PORTILLO, SECRETARY OF INDUSTRY AND COMMERCE TORRES MANZO, AND SECRETARY OF INTERIOR (GOBERNACION) MOYA PALENCIA TO DISCUSS INTER ALIA POSSIBLE MODEST REALLOCATION OF 600 MILLION PESOS (48 MILLION DOLLARS) WITHIN 1974 BUDGET TO HELP MEXICO'S IMPOVERISHED RURAL SECTOR, PARTICULARLY IN MARKETING AREA, AND, MORE IMPORTANTLY, MEANS BY WHICH GOM CAN ACT TO PREVENT UNDUE SUFFERING ON PART LEAST ADVANTAGED ECONOMIC CLASSES IN MEXICO AS RESULT CURRENT CONDITIONS OF SCARCITY CERTAIN PRODUCTS.

3. FOLLOWING THESE STUDY SESSIONS, COMMISSION MET ON DEC. 28 WITH PRESIDENT ECHEVERRIA, AND REPORTEDLY PRESENTED HIM WITH PROPOSAL ON BUDGET REALLOCATION, AND WITH A PLAN TO CONTROL DISTRIBUTION AND SALES OF CONSUMER GOODS SO AS TO AVOID HOARDING AND SPECULATION. PLAN REPORTEDLY CALLS FOR GREATER GOM ROLE IN THE DISTRIBUTION OF MEDICINE AND BASIC FOODSTUFFS, WITH CONASUPO OPENING MANY MORE RETAIL OUTLETS, ESTABLISHING A NATIONAL PRICE COMMISSION WHICH CAN INVESTIGATE CHARGES OF SPECULATION AND PRICE-GOUGING, SETTING A 9-YEAR PRISON SENTENCE FOR THOS CONVICTED OF CRIMES AGAINST THE CONSUMER, MORE ENERGETIC APPLICATION OF ANTI-TRUST LAWS, AND A DRAMATIC INCREASE IN AGRICULTURAL PRODUCTION OF BASIC FOODSTUFFS AND THEIR MARKETING. THE LEGISLATIVE COMMISSION URGED THE PRESIDENT TO CONSIDER THE PRESENTATION OF ANY NEW LAWS REQUIRED TO CARRY OUT THIS PLAN.

4. PRESIDENT REPORTEDLY CONGRATULATED LEGISLATORS ON THEIR INITIATIVE, AND PROMISED TO CONSIDER THEIR PROPOSALS, NOTING THAT 1974 WAS GOING TO BE A DIFFICULT YEAR ECONOMICALLY FOR MEXICO AND THE WORLD, AND THAT ALL MEXICANS WOULD HAVE TO WORK TOGETHER TO MEET THE ECONOMIC CHALLENGE.

5. IN SEPARATE BUT RELATED MATTER, SECRETARY MOYA PALENCIA, SPEAKING FOR PRESIDENT, ON DEC. 27 CALLED FOR AN END TO UNPATRIOTIC UNCLASSIFIED

UNCLASSIFIED

PAGE 03 MEXICO 09686 282337Z

RUMORS CONCERNING SHORTAGES OF BASIC FOODSTUFFS, AND REASSURED MEXICANS THAT STEPS WERE BEING TAKEN BY THE GOM TO INSURE THAT ALL NEEDED CONSUMER GOODS, INCLUDING FOODSTUFFS, WILL BE MADE AVAILABLE.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: GOVERNMENT BUDGET, FINANCIAL CONTROLS, CENTRAL LEGISLATURE, CABINET MEETINGS, ECONOMIC CONTROLS, ECONOMIC TRENDS
Control Number: n/a
Copy: SINGLE
Draft Date: 28 DEC 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973MEXICO09686
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: MEXICO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t1973123/aaaaabxx.tel
Line Count: 112
Locator: TEXT ON-LINE
Office: ACTION ARA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: MEXICO 9615
Review Action: RELEASED, APPROVED
Review Authority: shawdg
Review Comment: n/a
Review Content Flags:
Review Date: 19 DEC 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <19-Dec-2001 by williad>; APPROVED <05 MAR 2002 by shawdg>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: MEXICAN CONGRESS URGES BUDGET MODIFICATION, VIGOROUS GOM ACTION AGAINST HOARDERS AND SPECULATORS
TAGS: ECON, MX
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005